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EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C.
20508**

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**FOR IMMEDIATE RELEASE:
OCTOBER 29, 2001**

**01-90
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**President Bush and USTR Zoellick Open
First U.S. - Sub-Saharan Africa Trade Forum**

Strong Growth in Trade Between the United States and Africa is Creating "Hope and Opportunity"

WASHINGTON - U.S. Trade Representative Robert B. Zoellick today opened a day-long forum of plenary sessions and roundtables with African trade ministers to promote continued trade and investment between the United States and sub-Saharan Africa.

President Bush spoke to the forum, which he established on May 16, 2001 to complement the African Growth and Opportunity Act (AGOA). AGOA was enacted last year and underlies America's determination to support new economic opportunities for Africa.

"The African Growth and Opportunity Act is a roadmap for how the United States and Africa can tap the power of markets to improve the lives of our citizens," said President Bush. "As AGOA makes clear, economic freedom and political freedom must go hand in hand. People who trade in freedom, want to live in freedom. From Nigeria to South Africa, African nations have made great strides towards democracy. The democratic transitions of the last decade mean that a majority of Africans now live in democratic states. That is progress we will praise – and progress we must work hard to continue."

Ambassador Zoellick said in remarks opening the forum: "This forum sends a message to the world that the U.S. commitment to prosperity and freedom in sub-Saharan Africa is solid, our conviction is strong and our partnership vibrant. AGOA is a gift, an opportunity we must seize, to open U.S. markets for Africa, open African markets for Americans, and open our societies and people to one another - through a positive agenda of economic empowerment, opportunity, and hope."

President Bush announced the creation of a \$200 million Overseas Private Investment Corporation support facility that will give American firms access to loans, guarantees, and political risk insurance for investment projects in sub-Saharan Africa. The President announced that the U.S. Trade and Development Agency will establish a regional office in Johannesburg to provide guidance to governments and companies seeking to liberalize their trade laws, and improve the investment environment. In addition, the President announced today the launch of the Trade for African Development and Enterprise Program. With \$15 million in initial funding, the TRADE program will establish Regional Hubs for Global Competitiveness that will help African businesses take advantage of AGOA to sell more

of their products in the global markets.

Since AGOA was enacted and sub-Saharan leaders began implementing the necessary economic and social reforms, it has produced numerous benefits for both the United States and sub-Saharan Africa:

- U.S. imports from sub-Saharan Africa during the first half of this year totaled \$11.6 billion, up nearly 12%. AGOA accounted for 58% of these imports. It is estimated that AGOA's incentives have brought the region nearly \$1 billion in investment.
- U.S. exports to the region rose 36% to \$3.6 billion during the first half of the year.
- The total trade growth rate for non-fuel goods covered under AGOA is about 25%.

Zoellick noted that a recent World Bank study showed that economies of globalizing developing countries grow three and a half times faster than the economies of non-globalizing developing countries.

At the end of the working sessions, held at the State Department, Zoellick will sign two agreements that underscore the commitment of the United State to work effectively with the private sector and regional leaders to improve the life of the one-tenth of the world's population that live in Sub-Saharan Africa. The Nigerian Minister of Commerce Mustapha Bello and Zoellick will sign the U.S.-Nigeria Joint Declaration on Electronic Commerce. Zoellick will also sign a regional Trade and Investment Framework Agreement (TIFA) with the Common Market for Eastern and Southern Africa (COMESA), the first TIFA between the U.S. and sub-Saharan Africa.

During the Forum, Zoellick will lead a "Special Policy Roundtable Dialogue for Trade Ministers on U.S.-Africa Cooperation and Common Interests in the WTO." Sub-Saharan African countries represent the largest bloc of World Trade Organization countries.

Background on AGOA:

AGOA established a framework for U.S. trade, investment, and development policy for sub-Saharan Africa. Expanding free markets, trade and economic growth in the region will benefit the United States and sub-Saharan African countries by creating healthier and more stable economies, stronger and more democratic governments in Africa, and expanded markets for U.S. exports.

The benefits established by AGOA are potentially available to 48 countries; most are keenly interested in establishing eligibility. Currently, 35 countries are eligible for the duty free and quota free access to the U.S. market for most products. There are special provisions to provide even larger benefits to the poorest countries in the region.

The AGOA implementation process serves as an important impetus for countries to undertake both economic and social reforms. U.S. companies as well as sub-Saharan firms that are investing in or trading with AGOA countries are also serving as proponents of reform. The U.S. has provided AGOA countries with technical assistance and trade capacity-building:

- This year, the U.S. committed over \$50 million in trade-capacity building in sub-Saharan Africa; and,
- USTR has coordinated over 20 AGOA regional technical assistance and trade-capacity building workshops and seminars in Africa.

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